

Montana Department of Transportation



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Montana Department of Transportation

www.mdt.mt.gov

Email: mdtmfrefund@mt.gov

**Forms and Instructions for *Agricultural Standard*
Montana Diesel, Gasoline or Gasohol Tax Refund**

**Mail Applications to:
Montana Department of Transportation
PO Box 8019
Helena MT 59604-8019**

As of November 2006

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Verification of Agricultural Income Notice:

The law allows those involved in agriculture operations to apply for a refund based on the fuel used for agriculture purposes. To receive the refund, your primary source of income (at least 30 percent) must be from agriculture activities – those operations directly associated with farming and ranching. (MCA 15-70-223 gasoline and 15-70-362 diesel)

For each refund application filed, the Department of Transportation must verify your percent of Agriculture income, which causes a delay of your refund. The Department is giving you the option of sending in a copy of your most recently filed State or Federal Income tax return with your refund application. If you choose to include a copy of your tax return, we need the first page and any supporting statements or schedules that show your Agriculture income (such as Schedule C, D, E, F, Form 4797, and Form 4835). The documents will be shredded, unless you request that they be returned.

We must verify the agricultural income every 3 years.

If you file with a Federal Tax ID number or file your income taxes electronically with the Department of Revenue, you will be asked by the Department of Transportation to submit a copy of your State or Federal Income Tax Return, before your refund is allowed. We are unable to receive these documents from the Department of Revenue.

If you file with a Social Security Number on your Motor Fuel Tax Refund Application, and you do not submit a copy of your Federal or State Income Tax Return with your application, we will contact the Department of Revenue and request a copy of your most currently filed Income Tax Return, when it is needed.

If you have any questions, you can contact the Montana Department of Transportation at (406) 444-7278.

Our authority to review this information is based on Montana Codes Annotated 15-30-303(8) (g).

Required Records:

- ☐ MF-27A Form page 7
- ☐ Social Security Number or Federal ID Number written on application
- ☐ Applicant's Signature
- ☐ Spouse's Signature (if applicable)
- ☐ Schedule A including listed fuel purchases on following pages
- ☐ Original (Inked) gasoline, gasohol, or clear diesel bulk and/or cardtrol/keylock invoices

If you have any questions filling out these forms, please call (406) 444-7278 between the hours of 8:00am and 5:00pm, Monday through Friday except holidays. You may download forms from our Website at www.mdt.mt.gov.

MDT attempts to provide accommodations for any known disability that may interfere with a person participating in any service, program or activity of the Dept. Alternative accessible formats of this information will be provided upon request. For further information call (406) 444-7278 or TTY (800) 335-7592, or by calling Montana Relay at 711

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By cooperative agreement, the Montana Department of Transportation exchanges fuel tax information with other tax collecting agencies.

Definitions

Agricultural Use: The use of gasoline, gasohol and/or clear diesel, by a person who earns income while engaging in the business of farming or ranching and who files farm/ranch income reports for tax purposes as required by the Internal Revenue Service. (MCA 50-70-201 gasoline and MCA 50-70-301 Diesel)

Bulk Delivery: Bulk delivery is the placing gasoline, gasohol or diesel in storage or containers. The term does not mean gasoline or diesel delivered into the supply tank of a motor vehicle.

Bulk Delivery Invoice: An invoice issued by a dealer for the purchase of fuel in storage. *Invoices changed or altered in any way must be voided and a new invoice issued by the dealer. If any information is missing, contact your dealer. If the name on the invoice is not the same as the applicant, an explanation is required.*

Bulk Storage: Bulk storage is a container, except for the supply tank of a motor vehicle or any combustible engine, which holds any fuel for storage.

Cardrol or Keylock: A unique device intended to allow access to a fuel dealer's unattended pump or dispensing unit for the purpose of delivery of fuel to an authorized user of the unique device.

Farmer or Rancher: Farmer or Rancher is a person who earns a living raising livestock, dairy, poultry, fruit and agricultural commodities. The term may also include a person who cultivates and grows orchards or earns a living raising fish, fur-bearing animals, horticultural commodities or a feed yard for the fattening of cattle.

Gross Earned AG Income: This includes the income, *before expenses*, that is earned when you are working for yourself or as a partner in a farming/ranching activity, Agricultural Program Payments, Crop Insurance, Coop. Distribution. *You may find the Gross Income on your Form 4835, Sch. D, Form 4797, and Sch. F. Earned income does not include passive income such as interest, dividends, capital gains, etc. This income may be found on other Income Tax documents. For a better understanding of Income Taxes, please consult an accountant.*

Gross Non-AG Income: This is income you receive for non agricultural activity. Such as: Income that you receive from working for another person (wages), custom hire, fuel tax refunds, real estate rental, pasture/farm rental (unless you materially participate, and file taxes that show you materially participate, usually Form 4835), equipment rental, etc. *You may find the Gross Income on your Sch. C, Sch. E, and lines 9 and 10 on Sch. F. This income may be found on other Income Tax documents. For a better understanding of Income Taxes, please consult an accountant.*

Bulk Invoice Requirements

All 9 items must be filled out by the dealer at the time of purchase. Any changes or corrections on an invoice will not be accepted. Invoices changed or altered in any way must be voided and a new invoice issued by the dealer. If any information is missing, contact your dealer. If the name on the invoice is not the same as the applicant, an explanation is required.

1. Name and address of seller;
2. Name of purchaser;
3. Complete date of delivery or purchase;
4. Type of fuel; (Special fuel must be identified as clear, undyed or dyed)
5. Number of gallons purchased;
6. Price per gallon or total amount of sale;
7. Unit number of the vehicle and/or
8. Identification of the equipment or bulk storage that the gasoline, gasohol or special fuel is placed into if it is fueled from other than a cardlock. Examples include, but are not limited to, fuel cans, slip tanks, tractors or bobcats.
9. Any person who requests a refund or credit of motor fuel tax must have satisfactory evidence that the motor fuel tax was included in the total price paid. Examples: All taxes included in the price or break down of taxes charged, etc.

NOTICE: Invoices must be submitted within thirty-six (36) months of the date of purchase.

Agricultural Qualification Worksheet

You do not need to mail in with your application.

Lines 1 - 6: In the blank lines of Columns A & B on the worksheet, enter the dollar amount of your total Gross NON-Ag Earned Income and your total Gross Ag-income, from your most recent Federal or State income tax return.

Line 7-9: Total Columns A & B. Use these figures to enter the information for line 8 and 9 at the bottom of the worksheet.

Line 10: Divide line 9 by line 8. If less than 30%, you are not eligible for a refund under this option, please contact 406-444-7278 for other possible available options. If 30% or greater, transfer the percentage (%) to line 1 of Schedule A. Use the highest percentage from the previous 3 years.

	Column A	Column B
	Total Gross NON-AG Earned Income	Total Gross AG Earned Income
1. Wages, Salaries, Tips, etc.	\$	XXXXXXXXXX
2. Gross Business Income – Schedule C	\$	\$
3. Capital Gains (Loss) – Schedule D	\$	\$
4. Supplemental Gains (Losses) – Form 4797	\$	\$
5. Rent, Partnership, S-Corp, etc. Gross Income – Schedule E or Form 4835	Income from schedule E \$	Income from form 4835 \$
6. Gross Farm Income – Schedule F (Custom Hire and Gas Refunds are non-ag income)	Custom hire & all fuel tax refunds \$	\$
7. TOTAL COLUMNS	\$	\$
8. Total Gross Earned Income = Column A + Column B	\$	
9. Total Gross Earned Ag Income = Column B	\$	
10. Percentage of Ag Income = Line 9 divided by Line 8	%	

Refund Application Form Instructions – MF-27A

STEP 1: Start by filling out Schedule A. You can get your agricultural percentage by filling out the qualification worksheet, which is on page 5. The worksheet is not part of the application; therefore, you may keep this for your records.

STEP 2: Fill out the following lines on the application page of MF-27A form (page 7).

1. **Applicants Name (Last, First, MI) or Trade Name:** Enter the name of the individual or business who is applying for the refund. If name on the invoices is different from the name on the application, an explanation is required.
2. **SSN or Tax ID:** Enter the social security number (SSN) if applicant is an individual; if the applicant is a corporation or partnership, enter your Federal tax identification number.
3. **Occupation:** Enter business activities of applicant.
4. **Phone Number (Required):** Enter a daytime phone number where applicant can be reached, in case additional information is needed to process application.
5. **Mailing address:** Enter address where checks and any correspondence should be mailed. Our mail can not be forwarded, so if you will be temporarily away, please give us your temporary address.
6. **Spouse's Name (Last, First, MI):** Enter spouse's name, it is required if the applicant filed a joint individual income tax return and is applying for an agricultural refund.
7. **Spouse's SSN or Tax ID:** Enter spouse's social security number; it is required if the applicant filed a joint individual income tax return and is applying for an agricultural refund.
8. **Gasohol total:** Enter the total amount requested for refund of gasohol from page 8, line 6.
9. **Gasoline total:** Enter the total amount requested for refund of gasoline from page 8, line 6.
10. **Diesel total:** Enter the total amount requested for refund of diesel from page 8, line 6.
11. **Total Refund amount:** Add the totals for Gasohol, Gasoline, and Diesel and enter that amount here.
12. **Paid Preparer Information:** To be filled out ONLY if you use a paid preparer.
13. **Applicant's signature:** Applicant's signature or authorized representative. *Must be original signature. Stamped or photocopies will be returned as missing information.*
14. **Date:** Date applicant signed the application.
15. **Spouse's Signature:** This is required if the applicant filed a joint individual income tax return and is applying for an agricultural refund.
16. **Date:** Date spouse signed application.

**Agricultural Standard Refund Application**

Refund of Montana Diesel, Gasoline or Gasohol Tax

Schedule A must be attached

Please read Instructions

Time period for Refund: _____ to _____

Applicants Name (Last, First, MI) or Trade Name: _____

SSN or Tax ID#: _____ Occupation: _____

Mailing Address: _____ Phone Number: _____

City: _____ State: _____ Zip Code + 4: _____

Required if applicant filed a joint individual income tax return and applying for an agricultural standard refund.

Spouse's Name (Last, First, MI): _____ SSN or Tax ID#: _____

REQUESTED AMOUNTS**1028 Gasohol**

\$ _____

1008 Gasoline

\$ _____

1007 Diesel

\$ _____

Total Refund \$ _____

Upon filing this application, the Montana Department of Transportation may verify the applicant's income from whatever sources are allowable by law. On Agricultural Standard Refunds, income tax returns will be reviewed to verify eligibility. A copy of your income tax return is required at least every three years.

Please furnish a copy of your income taxes with this application to avoid delays in processing.**You may call 406-444-7278 to verify if your taxes are needed.*****Original Signature required for processing application***

I/we hereby declare under penalty of false swearing, that the information in this application and attachments are true and correct and all diesel, gasoline and/or gasohol purchases are entirely consumed by the applicant.

Paid Preparer's Name: _____

Address: _____ Phone: _____

Signature: _____ Date: _____

May the Department of Transportation discuss this application with the preparer above? ☐ Yes ☐ No

Applicant's Signature: _____ Date: _____

Spouse's Signature: _____ Date: _____

FOR OFFICE USE ONLY

File Location: _____ Entered: ____/____/____ - ____

Processed: ____/____/____ - ____ Pre-Approved: ____/____/____ - ____

Approved: ____/____/____ - ____ Postmark Date: ____/____/____

Schedule A – Agricultural Standard Refund

A portion of Montana tax on bulk and cardrol/keylock purchases of undyed diesel, gasoline and gasohol is refundable based on percent of gross earned agricultural income.

Applicant's Name:

Compute Refund

1. Percentage agricultural income: (required – see Worksheet)

____ %

If less than 30%, you do not qualify for a standard agricultural refund, you may qualify under a different refund type. Contact the Department of Transportation at 406-444-7278.

Standard Deduction:

If percent of gross earned agricultural income is:

50% or greater ----- enter .60

40% to 49% ----- enter .50

30% to 39% ----- enter .40

0% to 29% --- You do not qualify for this refund

	Gasohol	Gasoline	Clear Diesel
2. Gallons subject to refund (totals from pages 9 & 10)	Total from page 10	Total from page 9	Total from page 9
3. Standard deduction (from above, enter only 40, 50 or 60)	%	%	%
4. Gallons subject to refund (multiply line 2 by line 3)			
5. Montana fuel tax paid per gallon	.23	.27	.2775
6. Total refund amount (multiply line 4 by line 5) write totals on page 7	\$	\$	\$

List all bulk storage and keylock/cardtrol purchases
Attach Original invoices

Undyed Diesel

9

List all bulk storage and keylock/cardtrol purchases
Attach Original invoices

[illegible]

Column Totals

Totals (Enter totals on Schedule A, Line 2)